

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re: Martifer Aurora Solar, LLC

Case No. 14-10355-abl

**CHAPTER 11  
MONTHLY OPERATING REPORT  
(GENERAL BUSINESS CASE)**

**SUMMARY OF FINANCIAL STATUS**

MONTH ENDED: Jan-14PETITION DATE: 01/21/14

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).


Dollars reported in \$1

	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of Petition Filing</u>
2. <b>Asset and Liability Structure</b>			
a. Current Assets	\$3,784		
b. Total Assets	\$1,238,538		
c. Current Liabilities	\$872,925		
d. Total Liabilities	\$872,925		
3. <b>Statement of Cash Receipts &amp; Disbursements for Month</b>	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
a. Total Receipts	\$0		\$0
b. Total Disbursements	\$0		\$0
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$0	\$0	\$0
d. Cash Balance Beginning of Month	\$0		\$0
e. Cash Balance End of Month (c + d)	\$0	\$0	\$0
	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
4. <b>Profit/(Loss) from the Statement of Operations</b>	\$0		
5. <b>Account Receivables (Pre and Post Petition)</b>	\$0		
6. <b>Post-Petition Liabilities</b>	\$872,925		
7. <b>Past Due Post-Petition Account Payables (over 30 days)</b>	\$0		

**At the end of this reporting month:**

	<u>Yes</u>	<u>No</u>
8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)		x
9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)		x
10. If the answer is yes to 8 or 9, were all such payments approved by the court?	N/A	N/A
11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)		x
12. Is the estate insured for replacement cost of assets and for general liability?	x	
13. Are a plan and disclosure statement on file?		x
14. Was there any post-petition borrowing during this reporting period?		x
15. Check if paid: Post-petition taxes <u>    </u> ; U.S. Trustee Quarterly Fees <u>    </u> ; Check if filing is current for: Post-petition tax reporting and tax returns: <u>    </u> . (Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)		

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 2/20/2014
  
 Responsible Individual

**STATEMENT OF OPERATIONS****(General Business Case)**For the Month Ended 01/31/14

<b>Current Month</b>				<b>Cumulative (Case to Date)</b>	<b>Next Month Forecast</b>
<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>			
		\$0	<b>Revenues:</b>		
		\$0	1 Gross Sales	\$4,321	
\$0	\$0	\$0	2 less: Sales Returns & Allowances		
\$0	\$0	\$0	3 Net Sales	\$4,321	\$0
\$0	\$0	\$0	4 less: Cost of Goods Sold (Schedule 'B')		
		\$0	5 Gross Profit	\$4,321	\$0
		\$0	6 Interest		
		\$0	7 Other Income: _____		
		\$0	8 _____		
		\$0	9 _____		
\$0	\$0	\$0	10 <b>Total Revenues</b>	\$4,321	\$0
		\$0	<b>Expenses:</b>		
		\$0	11 Compensation to Owner(s)/Officer(s)		
		\$0	12 Salaries		
		\$0	13 Commissions		
		\$0	14 Contract Labor		
		\$0	Rent/Lease:		
		\$0	15 Personal Property		
		\$0	16 Real Property		
		\$0	17 Insurance		
		\$0	18 Management Fees		
		\$0	19 Depreciation	\$6,113	
		\$0	Taxes:		
		\$0	20 Employer Payroll Taxes		
		\$0	21 Real Property Taxes		
		\$0	22 Other Taxes		
		\$0	23 Other Selling		
		\$0	24 Other Administrative		
		\$0	25 Interest		
		\$0	26 Other Expenses: _____		
		\$0	27 _____		
		\$0	28 _____		
		\$0	29 _____		
		\$0	30 _____		
		\$0	31 _____		
		\$0	32 _____		
		\$0	33 _____		
		\$0	34 _____		
\$0	\$0	\$0	35 <b>Total Expenses</b>	\$6,113	\$0
\$0	\$0	\$0	36 <b>Subtotal</b>	(\$1,791)	\$0
		\$0	<b>Reorganization Items:</b>		
		\$0	37 Professional Fees		
		\$0	38 Provisions for Rejected Executory Contracts		
		\$0	39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case		
		\$0	40 Gain or (Loss) from Sale of Equipment		
		\$0	41 U.S. Trustee Quarterly Fees		
		\$0	42 _____		
\$0	\$0	\$0	43 <b>Total Reorganization Items</b>	\$0	\$0
\$0	\$0	\$0	44 <b>Net Profit (Loss) Before Federal &amp; State Taxes</b>	(\$1,791)	\$0
		\$0	45 Federal & State Income Taxes		
\$0	\$0	\$0	46 <b>Net Profit (Loss)</b>	(\$1,791)	\$0

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

**BALANCE SHEET**  
**(General Business Case)**  
For the Month Ended 01/31/14

**Assets****From Schedules****Market Value****Current Assets**

1	Cash and cash equivalents - unrestricted		
2	Cash and cash equivalents - restricted		\$3,784
3	Accounts receivable (net)	A	\$0
4	Inventory	B	\$0
5	Prepaid expenses		
6	Professional retainers		
7	Other: _____		
8	_____		
9	<b>Total Current Assets</b>		<b>\$3,784</b>

**Property and Equipment (Market Value)**

10	Real property	C	\$0
11	Machinery and equipment	D	\$1,234,754
12	Furniture and fixtures	D	\$0
13	Office equipment	D	\$0
14	Leasehold improvements	D	\$0
15	Vehicles	D	\$0
16	Other: _____	D	
17	_____	D	
18	_____	D	
19	_____	D	
20	_____	D	
21	<b>Total Property and Equipment</b>		<b>\$1,234,754</b>

**Other Assets**

22	Loans to shareholders		
23	Loans to affiliates		
24	_____		
25	_____		
26	_____		
27	_____		
28	<b>Total Other Assets</b>		<b>\$0</b>
29	<b>Total Assets</b>		<b>\$1,238,538</b>

**NOTE:**

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

**Liabilities and Equity**  
(General Business Case)

**Liabilities From Schedules**

**Post-Petition**

**Current Liabilities**

30	Salaries and wages		
31	Payroll taxes		
32	Real and personal property taxes		
33	Income taxes		
34	Sales taxes		
35	Notes payable (short term)		
36	Accounts payable (trade)	A	\$0
37	Real property lease arrearage		
38	Personal property lease arrearage		
39	Accrued professional fees		
40	Current portion of long-term post-petition debt (due within 12 months)		
41	Other: <u>Deferred Revenue (cash grants and rebates to be recognized</u>		\$872,925
42		over 20 years)	
43			
44	<b>Total Current Liabilities</b>		\$872,925

**Long-Term Post-Petition Debt, Net of Current Portion**

46	<b>Total Post-Petition Liabilities</b>		\$872,925
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**Pre-Petition Liabilities (allowed amount)**

47	Secured claims	F	\$0
48	Priority unsecured claims	F	\$0
49	General unsecured claims	F	\$0
50	<b>Total Pre-Petition Liabilities</b>		\$0
51	<b>Total Liabilities</b>		\$872,925

**Equity (Deficit)**

52	Retained Earnings/(Deficit) at time of filing		\$36,856
53	Capital Stock		\$330,547
54	Additional paid-in capital		
55	Cumulative profit/(loss) since filing of case		(\$1,791)
56	Post-petition contributions/(distributions) or (draws)		
57			
58	Market value adjustment		
59	<b>Total Equity (Deficit)</b>		\$365,613
60	<b>Total Liabilities and Equity (Deficit)</b>		\$1,238,538

**SCHEDULES TO THE BALANCE SHEET**  
(General Business Case)

**Schedule A**

**Accounts Receivable and (Net) Payable**

<b>Receivables and Payables Agings</b>	<b>Accounts Receivable [Pre and Post Petition]</b>	<b>Accounts Payable [Post Petition]</b>	<b>Past Due Post Petition Debt</b>
0 -30 Days			
31-60 Days			
61-90 Days			
91+ Days			
Total accounts receivable/payable	\$0	\$0	\$0
Allowance for doubtful accounts			
Accounts receivable (net)	\$0		

**Schedule B**

**Inventory/Cost of Goods Sold**

<b><u>Types and Amount of Inventory(ies)</u></b>	<b><u>Inventory(ies) Balance at End of Month</u></b>	<b><u>Cost of Goods Sold</u></b>
		<b>Inventory Beginning of Month</b>
		Add -
Retail/Restaurants -		Net purchase
Product for resale		Direct labor
		Manufacturing overhead
Distribution -		Freight in
Products for resale		Other:
Manufacturer -		
Raw Materials		
Work-in-progress		
Finished goods		
Other - Explain		
<b>TOTAL</b>	<b>\$0</b>	<b>Cost of Goods Sold</b>
		<b>\$0</b>

**Method of Inventory Control**

Do you have a functioning perpetual inventory system?

Yes \_\_\_\_\_ No \_\_\_\_\_

How often do you take a complete physical inventory?

Weekly \_\_\_\_\_

Monthly \_\_\_\_\_

Quarterly \_\_\_\_\_

Semi-annually \_\_\_\_\_

Annually \_\_\_\_\_

Date of last physical inventory was \_\_\_\_\_

Date of next physical inventory is \_\_\_\_\_

**Inventory Valuation Methods**

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost \_\_\_\_\_

LIFO cost \_\_\_\_\_

Lower of cost or market \_\_\_\_\_

Retail method \_\_\_\_\_

Other \_\_\_\_\_

Explain \_\_\_\_\_

**Schedule C**  
**Real Property**

Description	<u>Cost</u>	<u>Market Value</u>
Total	\$0	\$0

**Schedule D**  
**Other Depreciable Assets**

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
Solar Equipment	\$1,467,039	\$1,234,754
Total	\$1,467,039	\$1,234,754

Furniture & Fixtures -		
Total	\$0	\$0

Office Equipment -		
Total	\$0	\$0

Leasehold Improvements -		
Total	\$0	\$0

Vehicles -		
Total	\$0	\$0

**Schedule E**  
**Aging of Post-Petition Taxes**  
**(As of End of the Current Reporting Period)**

<b>Taxes Payable</b>	<b><u>0-30 Days</u></b>	<b><u>31-60 Days</u></b>	<b><u>61-90 Days</u></b>	<b><u>91+ Days</u></b>	<b><u>Total</u></b>
<b>Federal</b>					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
<b>Total Federal Taxes</b>	\$0	\$0	\$0	\$0	\$0
<b>State and Local</b>					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
<b>Total State &amp; Local Taxes</b>	\$0	\$0	\$0	\$0	\$0
<b>Total Taxes</b>	\$0	\$0	\$0	\$0	\$0

**Schedule F**  
**Pre-Petition Liabilities**

<b><u>List Total Claims For Each Classification -</u></b>	<b><u>Claimed Amount</u></b>	<b><u>Allowed Amount (b)</u></b>
Secured claims (a)		
Priority claims other than taxes		
Priority tax claims		
General unsecured claims		

- (a) List total amount of claims even if under secured.
- (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

**Schedule G**  
**Rental Income Information**  
**Not applicable to General Business Cases**

**Schedule H**  
**Recapitulation of Funds Held at End of Month**

	<b><u>Account 1</u></b>	<b><u>Account 2</u></b>	<b><u>Account 3</u></b>	<b><u>Account 4</u></b>
Bank	City National Bank	City National Bank	Cathay Bank	
Account Type	General Account	Tax Account	Checking	
Account No.	0456	0464	7681	
Account Purpose				
Balance, End of Month	\$0	\$0	\$3,784	
Total Funds on Hand for all Accounts	\$3,784			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS****Increase/(Decrease) in Cash and Cash Equivalents****For the Month Ended** 01/31/14

		<b>Actual Current Month</b>	<b>Cumulative (Case to Date)</b>
<b>Cash Receipts</b>			
1	Rent/Leases Collected		
2	Cash Received from Sales		
3	Interest Received		
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7			
8			
9			
10			
11			
12	<b>Total Cash Receipts</b>	<b>\$0</b>	<b>\$0</b>
<b>Cash Disbursements</b>			
13	Payments for Inventory		
14	Selling		
15	Administrative		
16	Capital Expenditures		
17	Principal Payments on Debt		
18	Interest Paid		
	Rent/Lease:		
19	Personal Property		
20	Real Property		
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries		
22	Draws		
23	Commissions/Royalties		
24	Expense Reimbursements		
25	Other		
26	Salaries/Commissions (less employee withholding)		
27	Management Fees		
	Taxes:		
28	Employee Withholding		
29	Employer Payroll Taxes		
30	Real Property Taxes		
31	Other Taxes		
32	Other Cash Outflows:		
33			
34			
35			
36			
37			
38	<b>Total Cash Disbursements:</b>	<b>\$0</b>	<b>\$0</b>
39	<b>Net Increase (Decrease) in Cash</b>	<b>\$0</b>	<b>\$0</b>
40	<b>Cash Balance, Beginning of Period</b>		
41	<b>Cash Balance, End of Period</b>	<b>\$0</b>	<b>\$0</b>



**STATEMENT OF CASH FLOWS**  
**(Optional) Increase/(Decrease) in Cash and Cash Equivalents**  
**For the Month Ended 01/31/14**

		<b>Actual</b>	<b>Cumulative</b>
		<b><u>Current Month</u></b>	<b><u>(Case to Date)</u></b>
<b>Cash Flows From Operating Activities</b>			
1	Cash Received from Sales		
2	Rent/Leases Collected		
3	Interest Received		
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses		
	Cash Paid for Rents/Leases:		
7	Personal Property		
8	Real Property		
9	Cash Paid for Interest		
10	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s)		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax		
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes		
20	Cash Paid for General Expenses		
21			
22			
23			
24			
25			
26			
27	<b>Net Cash Provided (Used) by Operating Activities before Reorganization Items</b>	\$0	\$0
<b>Cash Flows From Reorganization Items</b>			
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U.S. Trustee Quarterly Fees		
31			
32	<b>Net Cash Provided (Used) by Reorganization Items</b>	\$0	\$0
33	<b>Net Cash Provided (Used) for Operating Activities and Reorganization Items</b>	\$0	\$0
<b>Cash Flows From Investing Activities</b>			
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	<b>Net Cash Provided (Used) by Investing Activities</b>	\$0	\$0
<b>Cash Flows From Financing Activities</b>			
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	<b>Net Cash Provided (Used) by Financing Activities</b>	\$0	\$0
44	<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	\$0	\$0
45	<b>Cash and Cash Equivalents at Beginning of Month</b>	\$3,784	
46	<b>Cash and Cash Equivalents at End of Month</b>	<u>\$3,784</u>	<u>\$0</u>

**Martifer Aurora Solar, LLC**  
**BK-S-14-10355-abl**  
**Month Ended: 1/31/14**  
**Petition Date: 1/21/14**

## **Footnotes to the Monthly Operating Report ("MOR")**

### **Summary**

Martifer Aurora Solar LLC ("Debtor") is 99% owned by Martifer Solar USA, Inc. ("Martifer") and 1% owned by Spearpoint Energy, and is incorporated in Nevada.

Debtor is comprised of a single solar photovoltaic project (the "Project") located on three separate municipal buildings in the city of Aurora, CO. After building and commissioning the project Martifer purchased the project from the developer, and assigned contractual rights and responsibilities to Debtor. The project has been commissioned and commercially operational since September 2010.

The Project is 100% operated by Debtor and all revenues and proceeds are collected by Debtor. The project cost about \$1.5 million ("MM"). Debtor received federal cash grants and utility rebates totaling about \$1.1MM. The offtaker of the project is the city of Aurora according to terms of a 20 year Solar Service Agreement ("SSA"). The Project is contracted with a third-party for a 20 year term to generate and provide Solar Renewable Energy Credits.

Debtor's Debtor-in-Possession ("DIP") bank accounts were opened on January 31, 2014. Debtor has not received the January 2014 DIP bank statements. As such, Debtor has attached the non-DIP bank statements for January 2014 to this MOR.

Debtor's fiscal year end is December 31, 2013, and Debtor has not yet reconciled and finalized the accounting treatment and/or classification of certain transactions, which impacts the January 2014 financial statements. Certain transactions and procedures are subject to review and approval by Martifer Solar, Inc., the holding company of Martifer Solar USA. While Debtor has created a new post-Petition accounting period, the pre-Petition accounting treatment has yet to be finalized. Thus, while Debtor has endeavored in its best efforts to present this MOR with the most accurate information and data, the financial statements presented in this stub-period MOR may be subject to significant and material modifications.

### **Statement of Operations**

Debtor estimates to receive about \$40,000 per year in gross cash receipts from the Project for the duration of the SSA. Revenues are subject to seasonality, weather conditions and other acts of nature. During January 2014, certain components of the Project was in disrepair and the Project experience partial diminishment of solar production, and thus reduced revenues. Revenues recorded for the post-Petition January 2014 period reflect deferred revenues. Debtor anticipates the Project to be repaired and fully functional in March 2014.

### **Balance Sheet**

As noted above, the SSA is for a 20 year term. Debtor reflects on its books and records deferred revenues, comprised of cash grants and rebates, over the life of the SSA, and has classified the deferred revenue as a long term liability. The MOR template does not provide for "Other" long-term liabilities. Thus, Debtor has classified the deferred revenues as "Other" current liabilities.

**Martifer Aurora Solar, LLC**  
**BK-S-14-10355-abl**  
**Month Ended: 1/31/14**  
**Petition Date: 1/21/14**

**Footnotes to the Monthly Operating Report ("MOR")**

**Schedules Pg 1**

As noted above that the Project was in disrepair in January 2014, no accounts receivable or accounts payable is recorded for January 2014. Debtor does not hold any inventory.

**Schedules Pg2**

The Project's sole depreciable assets are solar modules, inverters and related capital equipment utilized for the product of solar energy. Debtor and the Project do not own any real property.

**Schedules Pg3**

Management costs of the Debtor and the Project are incurred by Martifer Solar USA, Inc., and are not allocated to the Debtor.

**Statement of Cash Receipts and Disbursements**

As revenues reflected in the post-Petition January 2014 period are deferred, Debtor did not experience any transactions in this Statement of Cash Receipts and Disbursements

**Statement Cash Flows**

No comments.

**CATHAY BANK**1-800-9CATHAY (922-8429)  
www.Cathaybank.com

9650 Flair Drive, El Monte, CA 91731

RETURN SERVICE REQUESTED

00012702-0041551-0001-0002-TIMR8006170202148725

MARTIFER AURORA SOLAR LLC  
2040 ARMACOST AVE  
2ND FLOOR  
LOS ANGELES CA 90025Last statement: December 31, 2013  
This statement: January 31, 2014  
Total days in statement period: 31Page 1  
[REDACTED] 7681  
(0)Direct inquiries to:  
800-922-8429Cathay Bank  
9045 Corbin Ave Suite 100  
Northridge CA 91324

RECEIVED FEB 06 2014

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**Commercial Analysis Checking**

Account number	[REDACTED] 7681	Beginning balance	\$3,799.76
Low balance	\$3,783.98	Total additions	.00
Average balance	\$3,790.60	Total subtractions	15.78
Avg collected balance	\$3,790	Ending balance	\$3,783.98

**DEBITS**

Date	Description	Subtractions
01-14	Acct Analysis Charge FOR 12/13	15.78

**DAILY BALANCES**

Date	Amount	Date	Amount	Date	Amount
12-31	3,799.76	01-14	3,783.98		



**CATHAY BANK**

9650 Flair Drive, El Monte, CA 91731

RETURN SERVICE REQUESTED

MARTIFER AURORA SOLAR LLC  
January 31, 2014

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## OVERDRAFT/RETURN ITEM FEES

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

*Thank you for banking with Cathay Bank*